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Subject: POLITICO's Morning Energy: How 'the swamp' could overtake West Virginia's primary — Groups react to EPA's proposed 'secret science' rule — API to tap Mike Summers

By Kelsey Tamborrino | 05/01/2018 10:00 AM EDT

With help from Garrett Ross

HOW 'THE SWAMP' COULD OVERTAKE WEST VIRGINIA'S PRIMARY: West Virginia Attorney General Patrick Morrisey may be touting himself in the GOP Senate primary as a Washington outsider who wants to "blow up" D.C., but his opponents are dragging him through the muddy swamp. "Morrisey got filthy rich in the swamp lobbying for special interests," says the narrator of one of his opponent Rep. Evan Jenkins' ads, Pro's Theodoric Meyer reports. And while Morrisey, who's hoping to take on Democratic Sen. Joe Manchin this fall, has so far weathered the attacks and continues to do well in public polling, the May 8 vote will ultimately test whether GOP voters are willing to send a former lobbyist to Washington.

"Morrisey's self-described 'outsider' rhetoric cloaks an insider record: Before he was elected attorney general, Morrisey spent eight years as a Washington lobbyist, and the influence industry has fueled his campaign with hundreds of thousands of dollars in contributions," Theo writes. "It's going to be challenging, because the word 'lobbyist' has such negative connotations," said Cam Savage, a Republican operative who helped run Sen. Todd Young's successful 2016 campaign against former Democratic Sen. Evan Bayh, whose work for a Washington law and lobbying firm hindered his campaign. Read more.

IN THE OTHER CORNER of the Republican primary sits coal baron Don Blankenship, who spent a year in prison following the 2010 explosion at his Upper Big Branch Mine that killed 29 workers and who continues to escalate his attacks against Senate Majority Leader Mitch McConnell, POLITICO's Alex Isenstadt reports. The Senate hopeful is out with a new ad that dubs McConnell "Cocaine Mitch" as polls show Blankenship falling behind his more mainstream opponents. "One of my goals as U.S. senator will be to ditch Cocaine Mitch," Blankenship says toward the end of the new ad, possibly referring to a 2014 report in the liberal Nation magazine that drugs were once found aboard a shipping vessel owned by the family of McConnell's wife, Transportation Secretary Elaine Chao, Alex reports.

WELCOME TO TUESDAY! I'm your host Kelsey Tamborrino. BP America's Bob Stout was the first to correctly guess that former President Calvin Coolidge was the first president to attend the White House Correspondents' Dinner. For today: Which president brought the first professional baseball team to the White House to visit? Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter @kelseytm, @Morning_Energy and @POLITICOPro.

POLITICO's Ben White is bringing Morning Money to the Milken Institute Global Conference to provide coverage of the day's events and evening happenings. The newsletter will run April 29 - May 2. Sign up to keep up with your daily conference coverage.

WHILE CONGRESS IS AWAY, THE CONFERENCES WILL PLAY: The National Hydropower Association continues its Waterpower Week in Washington today with remarks from FERC Chairman Kevin McIntyre and Thomas Smith, chief of operations and regulatory division for the U.S. Army Corps of Engineers. McIntyre will discuss the "global frontiers of waterpower," providing an update on FERC's

hydropower activities and his perspective on the industry's future. Smith will deliver remarks during the presidential luncheon this afternoon, alongside Herbie Johnson, hydro general manager at the Southern Company. The annual conference is tied to three co-located conferences, including the NHA conference, the International Marine Renewable Energy Conference and the Marine Energy Technology Symposium.

- **The Solar Summit 2018 also kicks off today in San Diego**, where Abigail Ross Hopper, president and CEO of the Solar Energy Industries Association, will discuss solar in the Trump era, with a focus on the corporate tax reform, Section 201 and other macro-level risks. Hopper will be joined on stage by Avangrid Renewables' Laura Beane and Charlie Gray, director of the Solar Energy Technologies Office at DOE's Office of Energy Efficiency & Renewable Energy.

A LOAN IN THE SUN: Coinciding with the solar conference, GTM Research is out with a new report this morning on U.S. residential solar financing. The report found that last year was the first year since 2011 when more systems have been purchased with cash and loans (59 percent) than with leases and power purchase agreements (41 percent). That's in part due to the availability of loan products, as well as a shortage of third-party ownership suppliers, and Tesla and Vivint's move away from third-party ownership, the GTM report found.

The report also said that competition has intensified in solar loans, with various solar-specific loan providers, traditional banks and credit unions entering the realm. The increased competition has led to "uber-competitive rates and therefore compressed margins, leaving questions about the financial health and long-term viability of many of these loan providers," a summary of the report said.

RULE REACTIONS: EPA is moving full-speed ahead in its controversial scientific policy that would exclude the use of studies that don't publicly disclose all data. The agency published the proposed rule in the Federal Register on Monday, kicking into gear a 30-day comment period. And already, several groups have come forward to oppose the policy, laying out what they see as the policy's adverse effects - and calling for more consideration before any formal change.

- **The Union of Concerned Scientists** - which sent a letter signed by more than 1,000 scientists to EPA Administrator Scott Pruitt last week asking him to reverse course prior to the rule's announcement - plans to send another urging for the comment period to be extended a minimum of 60 days and calling for the agency to hold three public hearings across the U.S. to receive additional input. "The current timeframe and lack of opportunities for engagement are wholly inadequate and will not allow for thorough public input of this proposed rule and its impact on science-based health and environmental safeguards." Read the letter here.

- **A group of scientific journals** released a joint statement saying that the proposal "does not strengthen policies based on scientific evidence to limit the scientific evidence that can inform them; rather, it is paramount that the full suite of relevant science vetted through peer review, which includes ever more rigorous features, inform the landscape of decision making. Excluding relevant studies simply because they do not meet rigid transparency standards will adversely affect decision-making processes."

A SOMMERS DAY: The American Petroleum Institute is expected to tap Mike Sommers to replace Jack Gerard to lead the oil and gas industry lobbying group, two sources tell POLITICO's Emily Holden and Eric Wolff. Sommers was former House Speaker John Boehner's chief of staff and has since spent two years leading the American Investment Council, a private equity trade group. Gerard announced earlier this year that he would step down in August. Read more.

TRUMP GRANTS TARIFF EXTENSION FOR SOME: The president extended a temporary exemption by one month for Canada, Mexico and the European Union from heavily watched steel and aluminum tariffs, the White House announced Monday. The move gives the key U.S. allies until June 1 to reach a deal with the administration to avoid the tariffs of 25 percent on steel and 10 percent on aluminum exports sent to the United

States. The tariffs were slated to take effect at 12:01 a.m. today if President Donald Trump had not moved to extend the deadline, POLITICO's Megan Cassella [reports](#).

WHISTLEBLOWER SAYS PRUITT LIED: Kevin Chmielewski, the former deputy chief of staff for operations at EPA, told ABC News Pruitt was telling a "bold-faced" lie last week when he testified to lawmakers that none of his employees were retaliated against for raising concerns about his spending decisions. Chmielewski, who was dismissed and is now acting as a whistleblower, told ABC that chief of staff Ryan Jackson called him into his office and said: "Hey - Administrator Pruitt either wants me to fire you or put you in an office so that he doesn't have to see you again." Chmielewski added: "And in addition to that, he wants to put Millan (Hupp) in your spot, as your title and your pay grade."

EPA declined to comment to ABC in response to Chmielewski's allegations, but the outlet said it obtained a personnel form filled out by EPA human resources officials that said Chmielewski resigned on March 17. "The form is not signed by Chmielewski, who says he was actually forced to leave a month before that date," ABC writes. [Read more.](#)

DEMOCRATS PRESS PRUITT ON TESTIMONY: Separately, Democratic Reps. [Doris Matsui](#) and [Paul Tonko](#) sent a letter Monday calling out a different aspect of Pruitt's testimony last week before Congress. The pair point to a contradiction between Pruitt's remarks and reports that the administration has [drafted](#) a proposed rulemaking to block California's waiver authority to set stricter standards for light-duty vehicles. "If true, these reports directly contradict your testimony last week. As you were reminded at the start of that hearing, it is a violation of the law to knowingly make false statements to a Congressional committee," Matsui and Tonko write in a letter to Pruitt. Asked last week about whether he would revoke California's special Clean Air Act waiver, Pruitt [told lawmakers](#) "not at present." The lawmakers requested Monday that Pruitt provide all documentation related to the development of the notice of proposed rulemaking by Friday. [Read the letter here.](#)

SAGE SUIT: Conservation groups are suing the Trump administration over policies that they say would "adversely impact essential habitats and populations" for the greater sage grouse. The lawsuit, filed in the U.S. District Court in Boise, concerns Interior Department's oil and gas lease auctions in Nevada, Utah, Montana, Wyoming and Idaho - and calls on the court to reverse the sales. "There's no scientific or legal support behind these policies, and no public support for them either," said Michael Saul, a senior attorney at the Center for Biological Diversity. "They're clearly intended to make fossil fuel development the dominant use of public land, and that's illegal." [Read the complaint.](#)

DOE 'ENCOURAGED' BY PJM MOVE: The Energy Department said it was "encouraged" by news Monday that PJM Interconnection [will perform](#) "stress tests" on different parts of the grid to identify fuel supply vulnerabilities. "PJM's concerns are consistent with what DOE, NERC, and others have been saying for years: premature retirements of fuel-secure resources are putting the future of our nation's electric grid at risk, and that undermines our national security," DOE press secretary Shaylyn Hynes said in a statement. DOE urges the regulatory agency "to take immediate action to stop the loss of fuel-secure capacity," Hynes said, adding that DOE continues to review all of its options within its authority to ensure a resilient grid. Recently, Energy Secretary Rick Perry [has considered](#) invoking the 1950 Defense Production Act to keep money-losing power plants running by designating them as crucial for national security.

BY PROXY: A new report from the American Council for Capital Formation out today found that proxy advisory firms - which advise shareholders on how to assess and vote on company plans - are operating with minimal oversight and are moving toward an increasingly activist stance on issues relating to the environment, as well as social and political issues. The report, titled "The Conflicted Role of Proxy Advisors," examines the impact such proxy firms have on major policies at most publicly traded companies. [Read it here.](#)

FIRST OFFICIAL DAY ON THE JOB: Today is Secretary of State Mike Pompeo's first full day in Foggy Bottom, where he will deliver a speech to introduce himself to the department. POLITICO's Nahal Toosi breaks

down the differences between Pompeo and his predecessor and former Exxon Mobil CEO Rex Tillerson [here](#). But keep an ear out for any climate mentions, as diplomats and environmentalists [gather](#) today in Bonn, Germany, to work out the kinks of the Paris climate agreement. Greens have hit Pompeo as a climate science doubter, while others like Competitive Enterprise Institute's Myron Ebell have said the Kansas Republican will be a "forceful advocate" of Trump's decision to exit the Paris accord.

A PENNY FOR YOUR FREETHOUGHT CAUCUS: Democratic Reps. [Jared Huffman](#), [Jamie Raskin](#), [Jerry McNerney](#) and [Dan Kildee](#) launched the Congressional Freethought Caucus on Monday "to promote sound public policy based on reason, science, and moral values, protect the secular character of our government, and champion the value of freedom of thought worldwide." In a [statement](#), Huffman said the caucus "will help spark an open dialogue about science and reason-based policy solutions."

PAY THE PRICE: The New York Independent System Operator and state policymakers released [a draft plan](#) on Monday to price carbon as part of the electric system, [Pro New York's Marie French](#) reports. The move comes as an early step toward addressing the impact of state subsidies for renewables and nuclear power on the competitive market. "Under the proposal, a social cost of carbon set by state regulators would be added on to regional energy prices," Marie writes. Read [more](#).

MAIL CALL! A coalition of more than 160 groups sent a letter to Interior Secretary Ryan Zinke on Monday in opposition to the department's [proposal](#) to rescind the "blanket rule" the U.S. Fish and Wildlife Service used to extend protections for endangered species. Read the [letter](#).

- **Oregon Sens. [Ron Wyden](#) and [Jeff Merkley](#)** and Reps. [Earl Blumenauer](#), [Peter DeFazio](#), [Suzanne Bonamici](#) and [Kurt Schrader](#) sent a letter Monday to Office of Management and Budget Director Mick Mulvaney and Assistant Army Secretary R.D. James., requesting federal officials support a flood protection feasibility study for Portland. Read it [here](#).

MOVER, SHAKER: The White House is expected to tap California agriculture attorney Michael Stoker to lead EPA's San Francisco-based Region 9 office, [sources tell E&E News](#). The regional office is the only one to which Trump has not appointed a leader.

A NEW LOOK: Trade association the American Exploration & Production Council is launching today a [new website](#) and [Twitter](#) and [Facebook](#) accounts. The new website will include videos, fact sheets, info-graphics and issue pages.

QUICK HITS

- Utilities, oil interests clash over EV policy at conservative policy summit, [Utility Dive](#).
- Contura, Alpha to merge, creating largest U.S. met coal producer, [Reuters](#).
- Blankenship's mine took this man's son, brother and nephew. Now Blankenship wants his vote, [Huffington Post](#).
- In cities v. fossil fuels, Exxon's allies want the accusers investigated, [InsideClimate News](#).
- Australia investing \$377 million to protect Great Barrier Reef, [NPR](#).

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